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27 July 1989

MEMORANDUM FOR: The Director of Central Intelligence

FROM:

[REDACTED]  
Deputy Director of Congressional Affairs

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SUBJECT: Breakfast with Senators Stevens and Rudman

1. After your Pentagon breakfast on Friday, 28 July, you will join a breakfast for Senators Ted Stevens (R., AK) and Warren Rudman (R., NH). Dick Kerr will host the breakfast from 8:00 to 10:00 AM in your dining room. Both Senators serve on the Senate Appropriations Defense Subcommittee. Keith Kennedy, their Appropriations Committee staffer, also will attend. [REDACTED], John Helgersen, [REDACTED], Tom Elmore, Bob Blackwell, and I will join you. [REDACTED]

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2. This breakfast is being held in response to the Senators' request for a wide ranging intelligence briefing. Each Senator has broad gauged interests in national security issues, but their staffer indicates they are currently interested in the following topics:

--Developments in China since the end of the student uprising.

--Prospects for a Cambodian settlement [REDACTED]  
[REDACTED]

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--Current situation and future prospects in Afghanistan.

--Key FY 90 intelligence budget issues. In that regard, Bill Lackman suggests that we bring up:

° The implications of the SSCI NFIP personnel freeze;

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Because of Senator Stevens' interest in Federal employee issues, you may wish to discuss in very general terms our efforts to prepare a flexible benefits initiative.

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3. We have provided talking points to begin the discussion of each of these topics, but we would not be at all surprised if other issues

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Breakfast participants will be prepared to discuss the issues as appropriate.

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Attachments

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OEA/CH/PA

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### **China After the Rebellion**

**Six weeks after the 3/4 June suppression of the prodemocracy movement, we see several worrisome trends:**

- The regime is continuing its crackdown on dissidents, some 10,000 have been arrested to date, and several hundred may have been executed.
- At the same time a power struggle is going on among China's geriatric leaders that is likely to continue until Deng's death.
- More orthodox party elders in particular seem determined to purge the reform wing of the party.

**The economy, meanwhile, continues to do poorly with inflation running at over 20 percent and unemployment increasing:**

- The crackdown has also worsened the longterm outlook, as foreign investors and governments are very reluctant to make new commitments to development projects.

**So far the regime's fear campaign has cowed much of the urban population, but the crackdown also is engendering increased anger and bitterness that could, together with growing economic problems, trigger more serious unrest in the next year or two:**

- Many urban workers are already bitter over the impact of inflation and are angry over the government's new policy of issuing government bonds in lieu of part of their wages.
- And if the government is forced to resort to issuing IOU's to farmers again this year to purchase the fall grain harvest, it is likely to face increasing unrest among China's 800 million peasants.

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Cambodia

OEA/SEA

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### **Status of Cambodia Peace Talks**

**We have been carefully watching the discussions taking place in Paris this week between the Cambodian resistance groups led by Prince Sihanouk and Cambodian Prime Minister Hun Sen, who represents the Vietnamese-backed government in Phnom Penh.**

- Sihanouk had a one-on-one meeting with Hun Sen, and the two made no progress toward resolving their differences over the terms of a settlement. The key issue was the role of the Khmer Rouge. Sihanouk insists that the Khmer Rouge must be included in a settlement equally with the other factions, while Hun Sen maintains that the Khmer Rouge must have no part.
- All four of the Cambodian factions had a roundtable discussion the next day, but could not even agree on how the factions should be represented at the month-long international peace talks that will begin on Sunday. [REDACTED]

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**It looks now as if the Cambodian factions have deferred to the international conference to resolve their differences.**

- We are concerned that the international group will focus on Vietnam's promise of withdrawal as the only requirement for peace in Cambodia rather than the tough job of hammering out an agreement that gives Sihanouk real power.
- The danger is that such a partial solution would probably result in a bloody civil war among the four factions and deny the Cambodian people the prospect of a government of their choice. [REDACTED]

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**Tom Elmore, the head of our Office of East Asian Analysis, is intimately familiar with the complexities of the Cambodia problem and can explain the situation in more detail for you.** [REDACTED]

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**SECRET** [REDACTED]

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Afghanistan

SECRET [REDACTED]

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## Situation Report on Afghanistan

We and the Intelligence Community no longer consider it likely that the Afghan mujahedin will defeat the Kabul regime by the end of 1989. We believe, however, that the insurgents can still achieve some significant gains before winter if they make a concerted effort. Resistance commanders continue to retain the strategic advantage, and we believe they will be able to oust Najibullah, but according to their own timetable. [REDACTED]

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Military Activity Increases

The focus of major fighting continues to be near Jalalabad around the garrison at Samarkheyl. Forces from both sides continue to occupy positions on ridges overlooking the garrison. Meanwhile, the regime continues to resupply Jalalabad overland despite insurgent efforts to block the road.

--Samarkheyl has, in effect, become a "no man's land" with neither side in control. The garrison probably has been unoccupied or abandoned for at least two weeks, [REDACTED]

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Elsewhere in Afghanistan, fighting appears to have picked up in Kabul and Qandahar, although regime positions are not in danger of falling to the insurgents.

--Insurgent rocket attacks against Kabul have increased [REDACTED]

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Najibullah's Position Strengthened

Regime President Najibullah appears to be in greater control now than when the Soviets left Afghanistan as a result of the continuing massive Soviet resupply effort, the relative success of regime troops to defend Jalalabad, and the general lack of insurgent pressure on regime positions countrywide. Nonetheless, last week's reportedly failed coup attempt by elements of the defense ministry highlights Najibullah's tenuous hold on power.

--He still has not expanded his support base, even among purported regime supporters. [REDACTED]

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[REDACTED] the National Reconciliation Program has been virtually ineffective and broadly unpopular.

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--His recent reappointments of rivals to the government, like the brother of former president Babrak Karmal, will not satisfy the opposition's desire to oust him and may actually reflect his inability to isolate them. [REDACTED]

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Intra-resistance hostilities between Jamiat Islami and Hizbi Islami (Gulbuddin) forces are likely to increase following the massacre of 30 Jamiat insurgents by insurgents associated with Gulbuddin despite efforts by both party leaders to peacefully settle the dispute.

--Jamiat party leader Rabbani blames Gulbuddin directly for the incident and appealed to the interim government to arrest and punish the perpetrators.

--We expect Jamiat forces loyal to commander Ahmad Shah Masood will take revenge against Hizbi Islami forces in northeastern Afghanistan, despite Gulbuddin's public condemnation of the incident. [REDACTED]

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#### Pakistan Remains Committed

Benazir Bhutto is not likely to advocate a major change in Pakistan's Afghan policy, but may consider concessions in order to achieve a political settlement if the insurgency is still bogged down at the end of this year's fighting season.

--Bhutto pledged continued support for the resistance last month in meetings with President Bush. Even though Pakistani diplomats will continue seeking a "political solution" this summer, Islamabad is not likely to change its bargaining position until after the current fighting season. If the resistance has made no headway by the end of this year, we believe Pakistan would be more amenable to a negotiated settlement that removes Najibullah but leaves some regime figures in place. [REDACTED]

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Budget

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### Proposed Flexible Benefits Program

---Pat Butler, a former member of Senator Stevens Staff and currently the Minority Staff Director of the Subcommittee on Federal Services, Post Office and Civil Service, Committee on Governmental Affairs, raised the possibility of Senator Stevens sponsoring a pilot project on flexible benefits at a meeting with the DDA in April. In response to Ms. Stevens' question, the DDA discussed the broad outline of the proposed Agency Program.

---Any discussion of our proposed program should be caveated with the comment that the Administration has not yet reviewed the proposal and we must then brief the Oversight Committees before we can proceed.

---In initial discussions with OPM, it indicated that the Agency offered the right environment to conduct this type of experiment.

---Our proposed plan resembles those in the private and non-Federal public sector. The plan contains pre-tax features as well as choices in the type and level of health insurance benefits available to employees.

---Our primary reasons for designing such a plan are:

--to control the rising health insurance costs and to

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--to develop a powerful recruitment and retention tool to meet the challenge of staffing an intelligence agency in the Year 2000.

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*Alaska - Senior Senator*

## Ted Stevens (R)

**Of Girdwood — Elected 1970**

Appointed to the Senate 1968

**Born:** Nov. 18, 1923, Indianapolis, Ind.

**Education:** U.C.L.A., B.A. 1947; Harvard U. Law School, LL.B. 1950.

**Military Career:** Army Air Corps, 1943-46.

**Occupation:** Lawyer.

**Family:** Wife, Catherine Chandler; six children.

**Religion:** Episcopalian.

**Political Career:** Alaska House, 1965-68; Republican nominee for U.S. Senate, 1962; sought Republican nomination for U.S. Senate, 1968; appointed to U.S. Senate, 1968.

**Capitol Office:** 522 Hart Bldg. 20510; 224-3004.



**In Washington:** Freed from the burdens of party leadership by his narrow loss to Robert Dole at the start of the 99th Congress, Stevens has redirected his acerbic energy toward becoming a major force on defense policy.

Stevens has not given up on his hopes of succeeding Dole as GOP leader some day, nor abandoned the efforts on behalf of Senate colleagues that long ago earned him the title of "Mr. Perk." Legislative opponents still find him as cranky and as tough a bargainer as ever.

But the intensity that Stevens displayed over eight years as assistant Republican leader has focused more often since 1985 on enhancing the power of the Defense Appropriations Subcommittee than on trying to enforce party discipline or win increased congressional pay and benefits.

As chairman of the subcommittee in the 99th Congress and as ranking Republican now, Stevens has been determined to give the panel a role as an independent source of judgments about military funding. In doing so, he has faced opposition both from its traditionally more powerful House counterpart and from the Senate Armed Services Committee.

During the four years when John G. Tower chaired Armed Services, Stevens waged several floor battles over his subcommittee's right to determine military spending levels. That conflict escalated into an intense turf dispute in 1985, when the Armed Services chair went to Barry Goldwater — a change that brought two of the Senate's more irascible members into head-to-head opposition.

The core of the argument was the Appropriations Committee's approval of amounts for various weapons systems that were above the authorization limits set by Armed Services.

Stevens insisted that the excess funds, which could not be spent until additional authorizing legislation was passed, were an essential tool in negotiating with the House. Without some flexibility on spending, he said, the Senate constantly would be forced to bargain down to the normally lower House levels during conference on the appropriations bill.

The dispute came to a head in 1986, when Appropriations reported a supplemental spending bill that was \$5.6 billion over defense authorization limits. Armed Services leaders raised heated objections, and a major floor fight loomed. Negotiating late into the night, Stevens and Goldwater finally came up with a compromise in which Stevens promised to stop including unauthorized funds in his spending bill. The two chairmen agreed that the panel would work more closely in the future, and that each would allow members of the other committee to attend markup sessions.

Stevens generally has supported President Reagan's requests for a massive increase in military spending. In 1986, he backed the budget's call for a 3 percent real growth in spending, and fought to defend high funding levels for the strategic defense initiative.

Some of Stevens' most important work in this field has been on the issue of requiring U.S. allies to assume more of the burden of NATO defense costs. He was incensed that Western European countries were financing the Soviet Union's construction of a pipeline to the natural gas fields in Siberia, and threatened to cut U.S. troop levels on the continent. Subsequently, Stevens included in the fiscal 1983 defense appropriations bill a provision reducing the number of U.S. troops in Europe by 23,000. It was dropped in conference, but a freeze on

*Ted Stevens, R-Alaska*

troop strength did become law.

The subject of Central America — and Reagan's efforts to curtail leftist movements there — has been another major concern of Stevens. Convinced that Soviet-backed forces in the region constitute a grave security threat to the United States, Stevens has been a prime Senate ally of the administration's campaign to defeat guerrillas in El Salvador and undermine the leftist government of Nicaragua.

"I believe in the Monroe Doctrine," Stevens once said. "What goes on in our hemisphere is our business." He worries in particular that a weakening of the U.S. stance in the region would lead to a wave of illegal aliens. "If we indicate a lessening of our resolve in Central America, we've got to prepare ourselves for a wave of 3 to 5 million immigrants."

Late in 1986, when fellow senators of both parties were rushing to break with the administration over its arms sales to Iran and diversion of some of the proceeds to Nicaraguan contras, Stevens was taking a more cautious approach, trying as long as he could to defend the administration's goals in the affair, if not its methods.

Stevens' near-miss at the majority leadership in December of 1984 was one of the biggest surprises in recent Senate politics. Despite his long tenure as chief lieutenant to Majority Leader Howard H. Baker Jr., Stevens was seen by almost everyone as a sure loser in his bid to move up after Baker's retirement. Yet Stevens ended up eliminating three other contenders, losing to Dole in the final round of balloting by only three votes, 28-25.

That narrow defeat reflected the widespread ambivalence about Stevens and his leadership in the Senate. For all the widespread dislike of his heated temper, confrontational style and tendency to let legislative differences become personal feuds, many Republicans clearly felt that his militant approach might be just what was needed to restore order out of the near-chaos into which the Senate had fallen under Baker's amiable stewardship.

Another important factor in Stevens' strong showing was his reputation as a man who fought for benefits other senators wanted but were afraid to pursue openly.

Most members scurry for cover when the subject of pay raises comes up, but Stevens unabashedly proclaims his belief that Congress is underpaid. "Service in the Senate," he has said, "should not require a sacrifice."

Over the years, Stevens has pushed an impressive variety of schemes to make congressional life more rewarding. Not all his efforts have been successful, and in some cases Con-

gress eventually reversed itself and took away the benefits. But the list of measures passed is impressive: a 5.5 percent pay raise (1979); a tax break for Washington, D.C., living expenses (1981); postponement of limits on senators' outside income (1979) and expansion of their free mailing privileges (1981).

In 1982 Stevens engineered a compromise with the House that removed limits on senators' outside income, while giving House members a \$9,138-a-year raise. He could not secure a pay raise for senators, but Congress the next year voted to equalize salary levels. In 1985 he forced a reluctant House to accept a provision increasing the permitted amount on honoraria — a prime source of extra income for senators — to \$30,000 a year, from \$22,500.

Although he served as chairman of the Ethics Committee in the 98th Congress, Stevens has never had much use for parts of the tough ethics code the Senate adopted in 1977. In 1979 he joined New York Democrat Daniel Patrick Moynihan in a lightning-quick move, made with just six senators on the floor, to postpone for four years the code's limit on outside earnings. The coup succeeded, and was later confirmed by a roll-call vote.

Another asset for Stevens as a potential leader was his demonstrated ability to deliver votes in a crunch. In 1979, during the fight over President Carter's standby gas rationing plan, he rounded up an estimated eight to 10 GOP votes that proved critical for final approval. Later that year, he took a 62-26 defeat on a pay raise and turned it into a 44-42 victory within two hours. A moderate by GOP standards, he can deal effectively with Democrats as well as with fellow Republicans.

But in the end, Stevens' impressive leadership campaign could not overcome the negative aspects of his own reputation. His years of service as assistant leader never gained him the affection of his colleagues, nor banished the impression that he can be a very difficult person to work with.

Stevens often seems to be an angry man on the Senate floor. More than almost any other senator, he allows differences over legislation to become heated personal arguments. From his first week in the chamber in 1969, when he tangled with veteran Democrats Edmund S. Muskie and John O. Pastore over an appointment to President Nixon's Cabinet, colleagues have known that debate with Stevens can quickly degenerate into a shouting match.

Stevens' penchant for personal dispute is strongest when he comes into conflict with another senator of similarly contentious personality — such as Ohio Democrat Howard M.

**Alaska - Senior Senator**

Metzenbaum. After years of battle, the bitterness between the two came to a head in the fall of 1982, over a bill to transfer a federal railroad to the state of Alaska. During one particularly nasty fight on the Senate floor, Stevens threatened to go to Ohio to campaign against Metzenbaum.

Later in the year, Stevens sought to apologize to Metzenbaum for another argument over the bill. But even his apology turned into another shouting match.

Stevens' sharp tongue extends to Washington, D.C. During debate on tax breaks for members of Congress, Stevens angered local residents by saying that he knew of "no town that has a worse crime standard, a worse set of schools, a worse circumstance to live and work in than the city of Washington."

Nevertheless, Stevens chose the city as the place to rebuild his personal life. His first wife was killed in a 1978 plane crash, in which he also was injured. Remarrying in 1980, he bought a town house on the border of Capitol Hill, in a transitional inner-city neighborhood, rather than in one of the more fashionable D.C. suburbs.

Stevens is one of the few Senate Republicans to draw sizable campaign help from organized labor. He is popular with public employee unions grateful for his unflagging support for federal workers, an important constituency in Alaska. As chairman of the Civil Service, Post Office and General Services Subcommittee at Governmental Affairs until 1987, he was ideally positioned to look out for those workers.

Stevens was once a federal employee himself — he worked in the Interior Department — and he fights regularly against the imposition of "caps" on federal pay raises, saying it is unfair to make government workers suffer from inflation.

Stevens' relations with federal employee unions were strained during 1982, however, by his advocacy of a proposal to revamp the federal retirement system. Stevens pushed the plan, which involved inclusion of federal workers in the Social Security system, in an unsuccessful effort to hold off attacks on cost-of-living adjustments in the pension systems. Early in 1983, Congress cleared compromise legislation that would bring new federal workers under Social Security.

In the next Congress, Stevens worked with Governmental Affairs Committee Chairman William V. Roth to pass legislation establishing a new pension system for federal workers hired after 1983. The bill, enacted into law in 1986 after months of conference negotiations, sought to provide new benefits to retired workers while

still costing the federal government less money.

On the Commerce Committee, where he has served throughout his Senate career, Stevens was mostly involved in shipping issues during recent years as chairman of the Merchant Marine Subcommittee. He was a key player in the 98th Congress' approval of the first major changes in shipping law in 20 years. The legislation, strongly opposed by consumer groups, expanded the ocean-liner industry's antitrust immunity for setting prices and dividing routes.

The emphasis on pay and defense during recent years has been in marked contrast with the late 1970s, when one issue — Alaska lands legislation — dominated Stevens' agenda. He focused most of his time and energy during those years on the fight over apportionment of his state's land for development and environmental protection.

During the years of work on the bill, Stevens was thoroughly alienated from his fellow Alaskan, Democratic Sen. Mike Gravel. The Stevens-Gravel feud was largely a question of style and tactics. Both wanted to keep the government from harrasing development in much of Alaska, but they disagreed vehemently on how to do so. Stevens felt the legislation was inevitable and wanted to make it as acceptable to Alaska as he could; Gravel sought to block legislation through filibusters and similar dilatory tactics, fighting with a showmanship Stevens regarded as pure demagoguery.

"It's hard to do anything about Alaska with Mike Gravel in the Senate," Stevens once complained. In 1980 he took the unusual step of backing Gravel's Democratic primary opponent, who defeated him. The seat later went Republican.

**At Home:** Stevens' careful defense of Alaska interests has made him invulnerable at the polls. Although he has not had his way on every issue, he always seems to have the right political approach — stubborn but pragmatic.

Stevens, who had been majority leader in the Alaska House, made it to Washington by appointment when Democratic Sen. E. L. Bartlett died in 1968. He owed his promotion to Walter J. Hickel, the state's GOP governor. Only months before, Stevens had failed to win the Senate Republican primary. Six years earlier, he had been nominated and had drawn only 41 percent of the vote.

Once in Washington, however, Stevens began digging in politically. In the 1970 contest to fill the final two years of Bartlett's term, he won with almost 60 percent while the GOP was losing the governorship. In that campaign, against liberal Democrat Wendell P. Kay, Ste-

**Ted Stevens, R-Alaska**

vens favored greater oil and mineral development; Kay was a firm conservationist.

Running for a full term in 1972, Stevens crushed Democrat Gene Guess, the Alaska House Speaker, whom he linked to presidential nominee George McGovern. Stevens also appealed to Alaska's hunters by labeling Guess as pro-gun control.

By 1978 Stevens had been elected to the Senate Republican leadership and no prominent Democrat even considered a serious campaign against him. An electrical contractor and an economics professor fought for the Democratic nomination, and the contractor, who got it, received less than a quarter of the vote.

Stevens' 1984 opponent did only slightly better. John E. Havelock, a lawyer who served as the state's attorney general in the early 1970s, tried to convince voters that the incumbent was more interested in pursuing his own

Senate ambitions than in Alaskan affairs. But Stevens paid his challenger little heed. Armed with a massive campaign chest, he spent much of the campaign stumping for other GOP senators in pursuit of his party's Senate leader post. He crushed Havelock with 71 percent of the vote in the most expensive Senate race in Alaska's history.

Stevens flirted briefly with the idea of returning to state politics in 1985, announcing that he would have been willing to step in if then-Democratic Gov. Bill Sheffield failed to survive impeachment proceedings brought against him over allegations that he had steered a state office lease to a political supporter. But Stevens discarded the notion after it became clear that Sheffield would survive — at least long enough to stand for re-election in 1986 — and that a number of prominent Republicans were interested in running for governor.

**Committees****Rules and Administration (Ranking)****Appropriations (2nd of 13 Republicans)**

Defense (ranking); Commerce, Justice, State, the Judiciary and Related Agencies; Interior and Related Agencies; Labor, Health and Human Services, Education and Related Agencies; Military Construction.

**Commerce, Science and Transportation (5th of 9 Republicans)**

Merchant Marine (ranking); Aviation; Communications; National Ocean Policy Study.

**Governmental Affairs (2nd of 6 Republicans)**

Federal Services, Post Office and Civil Service (ranking); Federal Spending, Budget and Accounting; Oversight of Government Management; Permanent Subcommittee on Investigations.

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**Elections****1984 General**

Ted Stevens (R)	146,919	(71%)
John E. Havelock (D)	58,804	(29%)

Previous Winning Percentages: 1978 (76%) 1972 (77%)  
1970\* (60%)

\* Special election. Stevens was appointed in 1968 to fill the vacancy caused by the death of Sen. E. L. Bartlett. The 1970 election was to fill the remainder of Bartlett's term.

**Campaign Finance**

	Receipts	Receipts from PACs	Expenditures
1984			
Stevens (R)	\$1,325,135	\$637,798 (48%)	\$1,195,616
Havelock (D)	\$92,982	\$6,050 (7%)	\$92,001

**Voting Studies**

Year	Presidential Support		Party Unity		Conservative Coalition	
	S	O	S	O	S	O
1986	83	11	83†	15†	88	9
1985	75	16	71	21	90	3
1984	84	12	85	8	94	4
1983	92	5	80	17	77	16
1982	74	18	85	8	90	4
1981	76	14	81	10	79	13

S = Support

O = Opposition

† Not eligible for all recorded votes.

**Key Votes**

Produce MX missiles (1985)	Y
Weaken gun control laws (1985)	Y
Reject school prayer (1985)	Y
Limit textile imports (1985)	N
Amend Constitution to require balanced budget (1986)	Y
Aid Nicaraguan contras (1986)	Y
Block chemical weapons production (1986)	N
Impose sanctions on South Africa (1986)	N

**Interest Group Ratings**

Year	ADA	ACU	AFL-CIO	CCUS
1986	15	71	33	74
1985	10	64	25	78
1984	20	67	22	76
1983	15	44	13	74
1982	15	50	35	76
1981	15	53	17	100

New Hampshire - Junior Senator

## Warren B. Rudman (R)

Of Nashua — Elected 1980

**Born:** May 18, 1930, Boston, Mass.

**Education:** Syracuse U., B.S. 1952; Boston College, LL.B. 1960.

**Military Career:** Army, 1952-54.

**Occupation:** Lawyer.

**Family:** Wife, Shirley Wahl; three children.

**Religion:** Jewish.

**Political Career:** N.H. attorney general, 1970-76 (appointed).

**Capitol Office:** 530 Hart Bldg., 20510; 224-3324.



**In Washington:** To some of the capital's more jaundiced observers, Rudman's performance in 1985 had some of the characteristics of a successful political hunger strike. Within weeks of his public threat to abandon the Senate out of disgust with the federal deficit, Congress approved his radical new procedure aimed at balancing the budget.

It would be a wild exaggeration, of course, to say that fear of losing Rudman from their ranks was a major reason that members of Congress passed the Gramm-Rudman-Hollings anti-deficit amendment in the fall of 1985. But the ultimate result could not help but contribute to Rudman's already considerable estimate of his own influence. He is a man of unusual intelligence and ability; a man of modesty he is not.

There can be no denying that Rudman was genuinely disturbed by the failure of Congress to halt the spiraling deficit. "I truly believed... we could put some sense into the fiscal policy of this country," he said. "So far I haven't seen it and I'm disappointed."

Nor is it difficult to sympathize with Rudman's frustration at the shallowness of life at the center of power in Washington. "I haven't had a very good time," he said of his first Senate term. "Quite frankly, this is not a town that cares for Warren Rudman as a person, or anything I stand for or anything I value."

Still, it was not easy to accept the idea that a man who seemed so comfortable in the Senate, an admirer of Daniel Webster, George Aiken and other influential small-state New England senators, would abandon his whole career simply because Congress kept spending too much money. The idea of Rudman agonizing about retirement was only made to seem more implausible by the fact that he had already hired a media consultant to produce his

campaign commercials at the time he said he was thinking of quitting.

In any case, Rudman's doubts about the Senate were resolved when he read late in the summer of 1985 that Texas Republican Phil Gramm was planning to offer a balanced-budget plan as an amendment to a bill raising the ceiling on the federal debt. Since his thoughts had run along similar lines, Rudman quickly joined with Gramm to develop a proposal calling for a series of annually decreasing ceilings on the deficit, reaching a balanced budget by 1991.

Gramm and Rudman, who were soon joined by South Carolina Democrat Ernest F. Hollings, formed an effective legislative alliance. While Gramm provided much of the oratorical firepower behind the proposal, the more established Rudman gave it an aura of respectability and helped arrange some of the complex procedural compromises needed to flesh out the idea. He also added a touch of levity to the bombastic rhetoric used by both sides of the issue: "This is a bad idea whose time has come," he said on more than one occasion.

The Gramm-Rudman law was quickly challenged in the courts, however, and by mid-1986 the Supreme Court ruled that part of its enforcement language that mandated automatic, across-the-board cuts, if needed to meet deficit goals, was unconstitutional. Gramm and Rudman responded with a "fix" of their plan, which passed the Senate but died due to House opposition. By early 1987, many budget experts were predicting it would be impossible to meet the law's fiscal 1988 deficit goal.

Although Rudman has not abandoned his efforts to balance the budget, he displays a certain skepticism about the public's real commitment to reducing federal spending. "The

**Warren B. Rudman, R-N.H.**

American people talk a great game against big government," he says. "But anything *they* get, of course, isn't big government."

There is little doubt that Rudman is a capable legislator. It took him only a short time to win a reputation in the Senate for hard and thoughtful work, particularly on the Appropriations Committee. If he has irritated some with his healthy sense of his own importance, he has gained the trust of the GOP leadership: He was named chairman of the Ethics Committee in the 99th Congress, and vice chairman of the special Iran-contra committee in the 100th.

On Appropriations, Rudman served for several years as de facto chairman of the Commerce-Justice-State Subcommittee. Although Nevada's Paul Laxalt formally chaired the panel, he was content to let Rudman handle most of the day-to-day work and manage the annual appropriations bill.

Defense of the Legal Services Corporation, targeted for extinction by the Reagan administration, has been one of Rudman's most visible causes on the Commerce-Justice spending panel. A self-appointed "watchdog" over the agency, he argues that Congress has corrected many of the past problems — especially alleged political involvement by agency officials — that have made it a target of conservative criticisms.

Rudman's most successful maneuver on behalf of the Legal Services Corporation came in 1984, when he helped work out a compromise proposal that pleased both friends and critics by extending restrictions on lobbying and political activities, while also providing recipients of legal services protection against the loss of assistance.

A former state attorney general, Rudman has been an outspoken supporter of tough federal enforcement of trade and antitrust laws. In 1982 he waged a heated battle against the American Medical Association, which wanted to prevent the Federal Trade Commission from pursuing violations of antitrust and consumer protection laws by professionals. He used his position on Appropriations to push through an amendment allowing the antitrust regulations if the agency did not interfere with state laws governing the subject.

Rudman is also a force on the Appropriations Subcommittee on Defense. Ever since his maiden speech in the Senate, he has been expressing concern over the "fascination" he feels Pentagon strategists have with complicated, expensive, high-technology weaponry.

Instead, Rudman wants the United States to buy cheaper, less complex weapons that are easier to maneuver and maintain. One of his targets was the Viper, a disposable bazooka

that had grown far more expensive and complicated than originally planned. After a determined assault by Rudman, the Pentagon eventually canceled its Viper contract.

Rudman also feels the Pentagon could achieve savings in personnel costs by eliminating unnecessary duplication in its bureaucracy. In 1985, he proposed a 10 percent reduction in non-combat support personnel, which he said would produce a savings of \$13 billion over three years. Later in the year, he won Appropriations approval of an amendment to save some \$800 million by freezing the number of employees at the previous year's levels.

**At Home:** Democrats would have been hard-pressed to oust Rudman from the Senate in 1986 even if they had been well-organized and well-financed. As it turned out, they were neither. Neither of the state's best-known Democrats — former Sen. John Durkin or former Rep. Norman E. D'Amours — expressed much interest in a long-shot challenge to Rudman. Only when the Democratic nomination threatened to go by default to a supporter of Lyndon H. LaRouche Jr. were party leaders able to coax Endicott Peabody, a former governor of Massachusetts (1963-65), into the race.

Peabody had moved to Hollis, N.H., several years earlier to practice law. But while he possessed a familiar name, he had not cut a wide swath in Granite State politics. In 1984, Peabody lost a race for a seat in the 400-member New Hampshire House of Representatives, and he was vulnerable to charges of being a carpetbagger.

For Peabody to have even an outside chance of winning, a conservative independent candidate — retired Navy officer Bruce Valley — needed to carve deeply into Rudman's base. That did not happen. Valley mustered only 5 percent of the vote, while Rudman swamped Peabody by a margin of nearly 2-to-1.

Rudman had come to Washington in 1980 without experience in elective politics, but with a reputation for activism that he built during six years as New Hampshire attorney general.

He overhauled the little-noticed office in the early 1970s by creating a consumer protection division, and he successfully fought the legalization of gambling in New Hampshire. That gave him the statewide recognition he used in his contest for the Senate in 1980.

Rudman's background dovetailed with one of his major campaign themes — the need for clean government. He pledged not to accept any contributions from out-of-state political action committees and recommended a two-term limit for senators.

**New Hampshire - Junior Senator**

As a former legal counsel to Gov. Walter Peterson (1969-73), Rudman was clearly viewed as a part of the New Hampshire GOP's moderate wing. But he was not anathema to conservatives. Rudman campaigned on a platform of increased defense spending and opposition to the Equal Rights Amendment.

Although the 1980 Senate race marked his debut as a candidate — the state attorney general's post was appointive — Rudman proved to be an aggressive campaigner, interspersing political argument with stories of his days as a platoon commander in Korea.

Rudman led the 11-man GOP primary with only 20 percent of the vote, but moved quickly to unite the party by installing the primary runner-up, former state Rep. (now Gov.) John H. Sununu as his campaign manager. Former Gov. Wesley Powell, who ran third in the primary, briefly considered running in the fall election as an independent — a move that would have seriously crippled Rudman against Durkin, the Democratic incumbent. But Republican leaders, including Ronald Reagan, persuaded Powell to stay out.

Durkin tried to consolidate his position with New Hampshire's conservative electorate by attacking Soviet expansionism, but Rudman peppered Durkin's generally liberal, pro-labor voting record. Rudman criticized Durkin for representing "big labor" and not New Hampshire.

Reagan's long coattails helped sweep Rudman to victory. Although Durkin ran 70,000 votes ahead of President Carter, he fell short of Rudman by 16,000.

It was sweet revenge for Rudman. Bad blood had developed between the two politicians in 1974, when Rudman was a member of the state panel that overturned the certification of Durkin's election in a virtually even contest with Republican Louis C. Wyman. (That forced a 1975 special election that Durkin won.)

Durkin returned the favor shortly afterward. When Rudman was nominated by President Ford to chair the Interstate Commerce Commission, Durkin worked behind the scenes to block the nomination. Rudman subsequently withdrew his name.

**Committees**

**Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition** (Vice Chairman)

**Select Ethics** (Vice Chairman)

**Appropriations** (9th of 13 Republicans)

Commerce, Justice, State, the Judiciary and Related Agencies (ranking); Defense; Foreign Operations; Interior and Related Agencies; Labor, Health and Human Services, Education and Related Agencies.

**Budget** (11th of 11 Republicans)

**Governmental Affairs** (4th of 6 Republicans)

Federal Spending, Budget and Accounting (ranking); Oversight of Government Management; Permanent Subcommittee on Investigations.

**Small Business** (3rd of 9 Republicans)

Innovation, Technology and Productivity (ranking); Government Contracting and Paperwork Reduction.

**Elections**

**1986 General**

Warren B. Rudman (R)	154,090	(63%)
Endicott Peabody (D)	79,222	(32%)
Bruce Valley (I)	11,423	(5%)

**Previous Winning Percentage:** 1980 (52%)

**Campaign Finance**

	Receipts	Receipts from PACs	Expenditures
1986			
Rudman (R)	\$852,877	\$5,200 (0.6%)	\$831,098
Peabody (D)	\$309,968	\$46,950 (15%)	\$307,760
Valley (I)	\$37,410	\$955 (3%)	\$35,322

**Voting Studies**

Year	Presidential Support		Party Unity		Conservative Coalition	
	S	O	S	O	S	O
1986	90	8	89	10	91	8
1985	84	14	80	17	78	20
1984	81	17	79	19	74	26
1983	85	15	82	17	80	20
1982	73	27	79	20	69	31
1981	83	14	82	16	70	25

S = Support

O = Opposition

**Key Votes**

Produce MX missiles (1985)	Y
Weaken gun control laws (1985)	Y
Reject school prayer (1985)	Y
Limit textile imports (1985)	Y
Amend Constitution to require balanced budget (1986)	Y
Aid Nicaraguan contras (1986)	Y
Block chemical weapons production (1986)	N
Impose sanctions on South Africa (1986)	N

**Interest Group Ratings**

Year	ADA	ACU	AFL-CIO	CCUS
1986	10	83	0	84
1985	10	68	14	86
1984	30	82	0	84
1983	25	40	18	58
1982	35	47	35	52
1981	15	53	21	94